

Message Text

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SUBJECT:DC NATIONAL COUNCIL MEETING: A SHOWDOWN POSTPONED

REF: ROME 8785

1. BEGIN SUMMARY. ALTHOUGH THE JULY 18-21 DC NATIONAL COUNCIL MEETING DID NOT RE-ESTABLISH THE HOPED FOR UNITARY PARTY LEADERSHIP, IT AVOIDED A SHOWDOWN BETWEEN FANFANI AND HIS GROWING BODY OF CRITICS, PARTICULARLY IN THE PARTY LEFT WING. AT THE COUNCIL MEETING FANFANI HAD THE SUPPORT OF MORO AND THE MORE OR LESS WHOLE-HEARTED ASSISTANCE OF THE PARTY CENTER-RIGHT FACTIONS -- A COALITION OF FORCES REPRESENTING FOUR FIFTHS OF THE PARTY. THE PARTY LEFT VOTED IN FAVOR OF MOST OF THE POINTS CONTAINED IN THE COUNCIL'S CONCLUDING DOCUMENT, BUT ABSTAINED ON THE TWO POINTS APPROVING FANFANI'S PROGRAM SPEECH AND CALLING FOR UNITARY LEADERSHIP OF THE PARTY. WHILE THE KEY ELEMENT IN THE LEFT WING OPPOSITION IS THEIR CRITICISM OF FANFANI AND HIS LEADERSHIP OF THE PARTY SINCE THE JUNE 1973 CONGRESS, SPECIFIC POLICY DIFFERENCES RAISED ALSO INCLUDED DC-PCI RELATIONS, THE DC'S ATTITUDE TOWARDS LABOR UNITY AND THE PACE OF SOCIAL REFORM. THE EQUIVOCAL OUTCOME OF THE NATIONAL COUNCIL MEETING

MAY FURTHER WEAKEN THE ALREADY FRAGILE CENTER-LEFT COALITION AS A RESULT OF ALREADY ANNOUNCED SOCIALIST HOSTILITY TO ANY DEVELOPMENT THAT TENDS TO ISOLATE THE DC LEFT. END SUMMARY.

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2. THE DC NATIONAL COUNCIL MET JULY 18-21 AGAINST A BACKGROUND OF RISING CRITICISM OF FANFANI WITHIN THE PARTY PARTICULARLY BY THE LEFT WING, AND GENERALIZED DISCONTENT AMONG YOUNGER DC PARLIMENTARIANS DEMANDING A GREATER VOICE IN PARTY AFFAIRS. COUNTERBALANCING THESE CENTRIFUGAL FORCES TO SOME EXTENT WAS THE AWARENESS OF ALL DC LEADERS THAT AN OPEN LEFT-RIGHT DIVISION WITHIN THE PARTY AT THIS TIME MIGHT COMPROMISE PRIME MINISTER RUMOR'S EFFORTS TO STEER THE GOVERNMENT'S ECONOMIC STABILIZATION PROGRAM THROUGH ITS STORMY PARLIAMENTARY PASSAGE.

3. THE NATIONAL COUNCIL MEETING WAS PRECEDED BY A WEEK OF INTENSIVE MANEUVERINGS BY FANFANI, ASSISTED BY MORO, THE MORAL LEADER OF THE THREE PARTY LEFT WING FACTIONS (FORZE NUOVE BASE, MOROTEI), TO RESTORE THE BASIS FOR UNITARY LEADERSHIP OF THE PARTY-- AP UNITY SHATTERED AT THE JUNE 21 AND 25 DIRECTORATE MEETINGS, WHICH RESULTED IN THE REMOVAL OF RESIGNATION OF AL THE PARTY LEFT WING REPRESENTATIVES ON THE SECRETARIAT (REFTEL). BY WEEK'S END IT WAS APPARENT THAT ALL PARTY FACTIONS EXCEPT BASE AND FORZE NUOVA HAD DECIDED TO SUPPORT FANFANI THIS TIME AROUND.

4. THE NATIONAL COUNCIL DEBATE FOCUSED ON THE DC'S NEED, RECOGNIZED BY ALL PARTICIPANTS, TO ADJUST ITS POLICIES AND ORGANIZATION TO THE CHANGING NATURE OF ITALIAN SOCIETY. IN ITS CONCLUDING RESOLUTION, THE NATIONAL COUNCIL CONFIRMED THE VALIDITY OF THE "HISTORIC ROLE" OF THE DC AS A PARTY INSPIRED BY THE CHRISTIAN ETHIC AND DEDICATED TO LIBERTY AND SOCIAL PROGREWS. IT REAFFIRMED THE PRTY'S ANTI-FASCIST POSITION AS WELL AS ITS SUPPORT OF THE CENTER-LEFT FORMULA AS A MEANS OF GUARANTEEING ECONOMIC DEVELOPMENT, SOCIAL REFORM, DEFENSE OF DEMOCRATIC INSTITUTIONS AND COMMITMENT TO EUROPEAN COOPERATION IN THE "CONTINUITY OF (ITALY'S) ALLIANCES." FULL SUPPORT WAS PLEDGED TO THE RUMOR GOVERNMENT. WHILE AN "ATTENTIVE ENCOUNTER" WITH THE OPPOSITION WAS PROMISED, THE CONTRASTING NATURE OF THE PHILOSOPHICAL AND POLITICAL POSITIONS OF THE DC AND COMMUNIST PARTY WAS EMPHASIZED. THESE CONCLUSIONS OF THE DOCUMENT WERE VOTED UNANIMOUSLY BY ALL FACTORS.

5. THE LEFT WING BASE AND FORZE NUOVE FACTIONS ABSTAINED ON TWO POINTS OF THE COUNCIL DOCUMENT. THESE PINTS APPROVED THE OPENING REPORT OF FANFANI ON THE DC PROGRAM FOR THE FUTURE AND CALLED FOR THE DIRECTORATE TO WORK OUT THE MODALITIES FOR PRESERVING THE CONFIDENTIAL

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PRESENT UNITARY LEADERSHIP OF THE PARTY, IN EFFECT SINCE MORO AND FANFANI WORKED OUT THE "PALLAZZO GIUSTINIANI" ACCORD AT THE JUNE 1973 PARTY CONGRESS. DURING THE COUNCIL DEBATE BASE AND FORZE NUOVE SPEAKERS MADE CLEAR THAT THE FUNDAMENTAL ISSUE DIVIDING THEM FROM THE PARTY MAJORITY IS THEIR OPPOSITION TO THE MANNER IN WHICH FANFANI HAS RUN THE DC DURING HIS YEAR IN OFFICE AND THEIR DETERMINATION TO BRING ABOUT A CHANGE IN THE PARTY LEADERSHIP. IN THE SHORT RUN, ACCORDING TO ONE DC SOURCE,

THE LEFT IS DEMANDING THAT BODRATO AND DONAT-CATTIN BE READMITTED TO THE SECRETARIAT, WHILE IN THE LONG RUN THEY WISH TO PUSH OUT FANFANI AND BRING IN MORO AS PARTY SECRETARY.

6. IN ADDITION TO PERSONNEL AND ORGANIZATIONAL CHANGES, THE PARTY LEFT AND PARTICULARLY BASE LEADERS LIKE DE MITA AND GALLONI ALSO MADE CLEAR DURING THE COUNCIL DEBATE THAT THEY FAVOR A MORE OPEN AND FORTHCOMING DC ATTITUDE TOWARDS THE PCI. INDUSTRY MINISTER DE MITA WENT SO FAR AS TO CALL FOR A DC-PCI "ACCORD" WHILE GALLONI TERMED THE PCI THE LARGEST PARTY OF THE "DEMOCRATIC" OPPOSITION. FORZE NUOVE LEADER DONAT-CATTIN CALLED FOR A CLEAR POLITICAL RELATIONSHIP WITH THE PCI WHICH WOULD, HOWEVER, AVOID PUSHING ASIDE THE OTHER SMALLER PARTIES OR WEAKENING THE DC THROUGH CONFUSED. "ASSEMBLY" (POPULAR FRONT) TYPE RELATIONSHIPS. DOWNPLAYING THE RISKS SOME OF HIS PARTY PERCEIVE, HOWEVER, DONAT-CATTIN AFFIRMED THAT ITALIAN NATIONAL SOVEREIGNTY WOULD PROBABLY NOT BE "WOUNDED" SHOULD THE PCI ENTER THE GOVERNMENT. OTHER, LONG-STANDING LEFT WING POLICY DIFFERENCES WITH THE PARTY MAJORITY EXPRESSED DURING THE DEBATE INCLUDED THE ISSUES OF ACCELERATED SOCIAL REFORM, AND LEFT WING DESIRES FOR GREATER SUPPORT FOR LABOR UNION UNITY AND A GENERAL POLITICAL SHIFT TO THE LEFT.

7. COMMENT: THE NET EFFECT OF THE RECENT DC NATIONAL COUNCIL MEETING IS TO PUT OFF UNTIL FALL FURTHER CHALLENGES TO FANFANI'S LEADERSHIP. DESPITE RECENT MANEUVERINGS BY DC CENTER-RIGHT FACTION LEADERS LIKE ANDREOTI, PICCOLI, BISAGLIA AND GULLOTTI TO LAY THE GROUNDWORK FOR POSSIBLE FUTURE MOVES AGAINST FANFANI, AND THE CONTINGENT NATURE OF THE CRUCIAL SUPPORT MORO HAS RECENTLY OFFERED THE PARTY SECRETARY, FANFANI NOW SEEMS IN A GOOD POSITION TO RIDE OUT THE STORM IN HIS PARTY FOR AWHILE LONGER. PRESSURES WITHIN THE DC WILL CONTINUE TO BUILD UP, AND MAY REACH THE CRITICAL POINT IN COINCIDENCE WITH A CONFIDENTIAL

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WIDELY PREDICTED GOVERNMENT CRISIS IN THE FALL. IN THE MORE IMMEDIATE FUTURE, HOWEVER, THE LIMITED BREAK IN THE FRONT OF DC PARTY UNITY COULD HAVE NEGATIVE REPERCUSSIONS ON THE FRAGILE AND ACCIDENT-PRONE RUMOR COALITION GOVERNMENT IN VIEW OF PAST SOCIALIST WARNINGS THAT THEY WOULD NEGATIVELY JUDGE ANY ISOLATION OF THE DC LEFT WITHIN THE PARTY. THE IMMEDIATE AND UNAVOIDABLE TEST FOR THE RUMOR GOVERNMENT, OF COURSE, IS THE PARLIAMENTARY GAUNTLET WHICH THE COLOMBO-CARLI ECONOMIC STABILIZATION PACKAGE MUST NOW RUN. VOLPE

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